

COMMITTEE CONFERENCE
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Application for Certification for) Docket No.
the Canyon Power Plant) 07-AFC-9
)
Presiding Member's Proposed Decision)
_____)

CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA 95814

MONDAY, MARCH 8, 2010

10:33 A.M.

Reported by: Peter Petty, CER**D-493
Transcribed by: Margo D. Hewitt, CET**00480
Contract No. 170-08-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Jeffrey D. Byron, Presiding Member

HEARING OFFICER AND ADVISERS

Paul Kramer, Hearing Officer

Kristy Chew, Adviser

STAFF AND CONSULTANTS PRESENT

Deborah R. Dyer, Staff Counsel

Eric Solario, Project Manager

APPLICANT

Scott Galati, Attorney
Galati and Blek, LLP

Stephen J. Sciortino
Public Utilities Department
City of Anaheim

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

I N D E X

	Page
Proceedings	1
Opening Remarks	1
Presiding Member Byron	1
Introductions	1,2
Hearing Officer Kramer	1
PMPD Comments	3
CEC Staff	3
Applicant	4
Public Comment (none)	9
Closing Remarks	11
Presiding Member Byron	11
Adjournment	13
Reporter/Transcriber Certificates	14

1 P R O C E E D I N G S

2 10:33 a.m.

3 PRESIDING MEMBER BYRON: Welcome to the
4 Presiding Member's Proposed Decision Conference on
5 the application for certification for the Canyon
6 Power Plant.

7 My name is Jeff Byron, the Presiding
8 Member of the Committee on this application. I
9 believe the Associate Member for the Committee has
10 retired from the Commission earlier, I should say
11 a couple of months ago. So, this we anticipate to
12 be our last conference.

13 With me is my Adviser Kristy Chew, and
14 the Hearing Officer, who I will turn it over to,
15 Mr. Paul Kramer.

16 HEARING OFFICER KRAMER: Thank you. The
17 purpose today is simply to receive and discuss
18 comments on the PMPD.

19 We've had the benefit of receiving them
20 slightly in advance of now, so we've been able to
21 look them over. So we don't need to discuss all
22 of them unless somebody wants to.

23 Mr. Galati, did you wish to make any
24 opening remarks about any particular conditions?

25 MR. GALATI: No, just here to answer any

1 questions regarding our comments. And Scott
2 Galati representing SCPPA on the Canyon Power
3 Project. And with me is Steve Sciortino. I'll
4 let you introduce yourself and your title.

5 MR. SCIORTINO: Mr. Kramer, Steve
6 Sciortino. I'm the Executive Sponsor for the
7 project and I'm employed by the City of Anaheim,
8 for which the project will actually be operating.

9 We're not actually the owner, but we
10 will be the operator and beneficiary of the
11 facility.

12 Just want to thank you for the
13 opportunity. We're in the final stretches and
14 we're looking forward to it.

15 HEARING OFFICER KRAMER: Okay, Ms. Dyer,
16 why don't you go ahead and introduce yourself and
17 the staff.

18 MS. DYER: Okay. Deborah Dyer, counsel
19 for staff. And with me here we have the Project
20 Manager.

21 MR. SOLARIO: Eric Solario, CEC Project
22 Manager.

23 HEARING OFFICER KRAMER: Okay. Did the
24 staff have any opening comments?

25 MS. DYER: No.

1 HEARING OFFICER KRAMER: Okay. This
2 hearing was noticed for this time. As far as I
3 know, informal comments I received from the staff
4 about basically typographic errors, and then this
5 filing from the applicant this morning are the
6 only comments that I'm aware of that we've
7 received in this case.

8 Either party aware of any others?

9 MR. GALATI: We are not.

10 HEARING OFFICER KRAMER: Okay, I'll
11 point out that I believe the parties have until
12 3:00 p.m. on this Wednesday, the 10th, to provide
13 additional comments.

14 But again, we're glad that we received
15 yours in advance so we could discuss a couple of
16 them to clarify them today.

17 So, let me ask, Ms. Dyer, were there any
18 particular comments that you -- that the applicant
19 made that staff disagrees with?

20 MS. DYER: We don't disagree with any of
21 the applicant's comments.

22 HEARING OFFICER KRAMER: Okay, thank
23 you. Mr. Galati, one comment we need to discuss
24 in a little more detail is with regard to power
25 plant reliability.

1 And that's the notation that's made in
2 -- it's actually in the narrative of the section,
3 but also in one of the findings.

4 To the effect that the project will not
5 exceed 4320 machine hours annually. I think we
6 understand that because of the operation of the
7 air quality restrictions and the number of
8 startups and shutdowns, and that the facility is
9 really limited by its emissions permits.

10 And you don't want it to be limited by
11 any particular hourly restriction that's applied
12 by the Commission in addition to those permits.

13 So your suggestion is to just eliminate
14 the reference. But is there something we could do
15 to that to clarify it, to make it clear that it's
16 an approximation?

17 MR. GALATI: Yeah, I think you could. I
18 think you could maybe modify it to say it will be
19 operated as a peaker and you could either put a
20 comma or parentheses and say estimated at this
21 amount if operated at full load. That was a full-
22 load number of hours estimate for emission
23 purposes.

24 Just so that's quantified. Because it
25 is possible that the project, if it were to

1 operate 4321 hours, we wouldn't want that to be
2 inconsistent with the Commission. But it's
3 possible to operate more hours, but at less
4 emissions, if we're operating, let's say, some of
5 the turbines at part-load.

6 And just to clarify, and the emissions
7 are based on the amount of natural gas burned.
8 So, that's how that's estimated. Not really the
9 number of hours.

10 We've translated them to number of hours
11 for staff and others to be able to evaluate the
12 project. But really there's no hourly limitation.

13 So if we want to say either a footnote
14 that said it's based on natural gas burned, or if
15 we wanted to say estimated at 4320 hours at full
16 load, I think that solves our concern, as well.

17 HEARING OFFICER KRAMER: Okay. But it's
18 the case, isn't it, that if they were operated at
19 some reduced load level then the emissions per
20 megawatt go up because the turbine is no longer at
21 its peak efficiency?

22 MR. GALATI: Not necessarily. Depends
23 on where. So, for example, there is a range in
24 the startup mode where -- and we have a limited
25 number of minutes for startup where we can operate

1 at higher emissions.

2 But after that it is the emissions are
3 controlled, for example, NOx, they're controlled
4 with full operation of the SCR. Whether we're at
5 that peak load or not.

6 But really, the emissions that go down
7 are let's say PM10 and SOx, because those are a
8 function directly of the amount of fuel burned.

9 HEARING OFFICER KRAMER: Okay. I think
10 we can make that change.

11 Let me ask you, transmission safety and
12 nuisance. The decision refers to construction in
13 accordance with SCE practices. But you're saying
14 that in fact it'll be City of Anaheim practices.

15 Was that the way it was stated in the
16 AFC, do you know?

17 MR. GALATI: I'll have to take a look,
18 but I'm pretty sure it was stated City of Anaheim.
19 Because we were always going to be -- the City of
20 Anaheim was going to own and operate that
21 interconnection from the plant to the City of
22 Anaheim system, not SCE's system.

23 HEARING OFFICER KRAMER: Okay.

24 MR. GALATI: It is behind the meter.

25 HEARING OFFICER KRAMER: Okay. And then

1 condition waste-1. I want to make sure I
2 understand how much of that you're asking us to --

3 MR. GALATI: Just to clarify, and I
4 apologize. I can see what I wrote here wasn't as
5 clear.

6 Just to delete the requirements, the
7 part that was added, which was reference to the
8 Department of Toxic Substances Control
9 requirements. We still will -- any remediation
10 would be done in accordance with Orange County
11 Healthcare Agency requirements.

12 HEARING OFFICER KRAMER: So should we
13 say requirements of and approved by the Healthcare
14 Agency? Is that --

15 MR. GALATI: That's correct.

16 MR. SOLARIO: If I may ask, Scott, do
17 you guys already have the letter of determination
18 from OCHC?

19 MR. GALATI: Yes. That's been
20 submitted.

21 HEARING OFFICER KRAMER: Okay, I think
22 that's all the questions that your comments
23 generated from us.

24 MR. GALATI: I think one housekeeping
25 item I think you had asked me for and I did not

1 attach to this was an electronic version of
2 exhibit 75, which was the revised plot plan for
3 use as your land use figure 2.

4 HEARING OFFICER KRAMER: Okay.

5 MR. GALATI: So I will submit that to
6 you electronically in a pdf form, is that going to
7 be okay?

8 HEARING OFFICER KRAMER: What page is
9 that on? Let me see what it looks like.

10 MR. GALATI: It's on page 278 of the
11 PMPD. And it's land use figure 2 which was taken
12 out of the staff assessment, exhibit 200.

13 And we had actually submitted a new
14 revised plot plan as exhibit 75. Some minor
15 things have changed that we had previously
16 submitted to staff, like for example, the
17 elimination of the third gate, and a few minor
18 changes in and around the plot plan.

19 HEARING OFFICER KRAMER: Yeah, I guess a
20 high-resolution pdf would work.

21 MR. GALATI: Okay, I will get that to
22 you before the close of tomorrow, only because I
23 know I have a version of it. I don't know if it's
24 high resolution. Might have to get somebody with
25 the city to give me a better version.

1 HEARING OFFICER KRAMER: Okay. Yeah,
2 I'm just thinking because I think my copy that I'm
3 using is especially bad. But certainly worthless
4 in an 8.5-by-11 format to read it.

5 Okay, I mean this is getting really
6 boring, which I guess is good, but --

7 MR. GALATI: We aim to please.

8 (Laughter.)

9 MR. GALATI: We like boring evidentiary
10 hearings and boring PMPDs conferences.

11 MR. SOLARIO: Well, we can -- the chair
12 thing again.

13 (Laughter.)

14 MR. GALATI: We hope on the 17th it will
15 be equally as boring.

16 HEARING OFFICER KRAMER: No, just once
17 with the chair. Okay, just for form, because I
18 don't see anybody who's not part of the family in
19 the audience, is there anybody in the audience
20 that wishes to make a public comment?

21 Staff, did you have anything that you
22 wanted to raise to our attention?

23 MS. DYER: No, nothing. Extremely
24 boring.

25 HEARING OFFICER KRAMER: Okay, boring is

1 good, I guess. I mean it's not compelling
2 television, but that's okay.

3 Mr. Galati?

4 MR. GALATI: Yeah. Mr. Kramer, I wanted
5 to point out that in the notice the 30-day comment
6 period, when you actually count up the number of
7 days I think the 10th, because of February, I
8 think it actually ends up being 28 days.

9 So I wanted to make sure that you said
10 on the record that you would accept comments from
11 the public all the way up to the 12th, so that
12 there wasn't a noticing problem.

13 HEARING OFFICER KRAMER: Thank you for
14 catching that.

15 MR. GALATI: Well, thank Bob Gladden
16 from my office, because he's much better at that
17 stuff than I am.

18 HEARING OFFICER KRAMER: Yes, we will
19 then accept comments until the close of business
20 on -- and that would be 5:00 p.m. on Friday, the
21 12th by receipt by the Commission at that point in
22 time.

23 And then the hearing at the business
24 meeting has already been noticed for a week from
25 Wednesday on March 17th.

1 So what we will do is hopefully on
2 Monday of next week when we've confirmed that, or
3 checked to see if any comments do come in during
4 that last period, we will put out an errata which
5 will include these changes and a couple
6 typographic changes.

7 I'll also note, though, that in the
8 final decision if we discover some other very
9 minor typographic changes, we will not put all of
10 those in the errata, those that have no substance.
11 We won't waste your time reading them, or the
12 paper. But we retain that editorial discretion to
13 correct tenses and punctuation and spelling if
14 there are any more of those errors.

15 And I think in a couple places where,
16 for instance, Mr. Galati you commented about one
17 instance of an error. It may appear in several
18 other places, as well. And we'll try to identify
19 those.

20 So, with that, we've asked for public
21 comment. The parties have provided all their
22 comments. You're free, of course, to add some
23 more if you need to. But again we appreciate that
24 you front-loaded those so that we can discuss
25 those that we needed to discuss today.

1 So with that I'll turn it back to
2 Commissioner Byron for closing remarks.

3 PRESIDING MEMBER BYRON: Thank you,
4 Mr. Kramer. I'll be very brief. In keeping with
5 the tone of our hearing today, as boring.

6 I looked back at my notes and saw that
7 we did our initial site visit on this on April
8 15th of '08. So it's taken a little while.

9 But I was reminded by Ms. Chew that
10 there are other issues that were at stake here.
11 Obviously the difficulty with the South Coast Air
12 Quality credits, which somehow the City of Anaheim
13 was able to overcome. Congratulations.

14 But also having talked with members of
15 the city recently, I know that there's been some
16 significant financial constraints and issues
17 there, as well. Those don't enter into our
18 decision, obviously. But they do impact the
19 schedule.

20 I'd like to thank the staff for an
21 excellent job on this project.

22 And the applicant, Mr. Galati, you
23 always do a very good job of dotting the i's and
24 crossing the t's, as well as all the behind the
25 scene stuff.

1 Mr. Kramer, thank you. It's nice to
2 have one done. We have a few more to do this
3 year. But thank you all very much.

4 HEARING OFFICER KRAMER: So we're
5 adjourned. Thank you.

6 (Whereupon, at 10:48 a.m., the
7 conference was adjourned.)

8 --o0o--

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter,
do hereby certify that I am a disinterested person
herein; that I recorded the foregoing California
Energy Commission Committee Conference; that it
was thereafter transcribed into typewriting.

I further certify that I am not of
counsel or attorney for any of the parties to said
conference, nor in any way interested in outcome
of said conference.

IN WITNESS WHEREOF, I have hereunto set
my hand this 14th day of March, 2010.

PETER PETTY

AAERT CER**D-493

CERTIFICATE OF TRANSCRIBER

I certify that the foregoing is a correct
transcript, to the best of my ability, from the
electronic sound recording of the proceedings in
the above-entitled matter.

/s/ Margo D. Hewitt

March 14, 2010

Margo D. Hewitt,

AAERT CET**00480